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## THE RELATION OF THE DISTRICT OF COLUMBIA TO THE GENERAL GOVERNMENT.

By HON. WILLIAM PATTERSON BORLAND, M. C.

(Read before the Society, February 17, 1914.)

I have reason to appreciate the compliment which you have paid me in inviting me to appear before this body and to address you upon this subject. The subject is one of vital interest to the people of the District and inseparably connected with its history. It is one upon which even a corn-field Congressman may be expected to have some knowledge and some views. He voices to a certain extent the opinions of those outside the District of Columbia representing the great body of the nation at large. We Americans have great faith in the virtues of free and public discussion, and doubtless the people of the District will have a clearer appreciation of the attitude of Congress, and Congress a clearer appreciation of the attitude of the people of the District, if a frank examination into their relations can be had.

I do not intend to discuss the intimate personal or local history of the District, nor to catalogue the various acts of Congress relating thereto, nor to present to you tedious statistics. I hope to take briefly a broad glance at the situation.

The District of Columbia exists by virtue of the provision of the Federal Constitution giving Congress exclusive jurisdiction over a district not exceeding ten miles square which shall be ceded to the United States for the purpose of the seat of Government. The reason for this provision of the Federal Constitution is found in the early history of the Continental Congress

and of Congress under the Articles of Confederation. The Federal Government, in its infancy and in its feebleness, found itself unable to command respect, maintain dignity, or even to protect its own peace and safety if required to meet in a city in some one of the States where the public authority and the maintenance of public order were entirely under the control of the local sovereignty. This was the compelling cause of the creation and establishment of the District of Columbia. It was desired that Congress should have exclusive jurisdiction over sufficient territory to establish in peace, dignity and safety the national capital and to protect the administration of the national power and the sessions of the National Legislature. Washington is not only primarily a national capital, it is exclusively a national capital. It belongs to the people of the nation. It has been determined that no government can exist in the District of Columbia, no matter what its form may be, which is independent of the Federal Government. The District of Columbia is not, never has been, and never can be an organized political entity like a State, nor even a corporate political entity like a municipality, with power to deal on a contractual basis with the Federal Government. I say this because it seems to be fashionable in discussing the affairs of the District to use the term "Organic Act" in referring to the act of 1878, and to talk of a solemn contract as though some contractual relations existed between two relatively equal bodies which could not be violated or altered without the consent of both. The reference to any particular act of Congress creating or altering its relations to the District of Columbia as an organic act in the sense that word is used in creating a new entity in the system of States, is a legal absurdity. Congress is charged not only with the right but with the duty to

deal with the District from time to time as altered conditions may justify. It is absurd to talk of an act as though it were irrevocable, and beyond the power of amendment; or as though it were a contract based upon some form of valuable consideration. The only restriction upon the power of Congress to deal with the District is that it shall not invade private property rights except within the well-defined limitations of the exercise of the police and taxing power. Congress can exercise all of the usual powers of taxation over the District which are exercised by states through their municipalities or otherwise, over the property of private citizens. Congress has not relinquished, waived nor bargained away any portion of its taxing power, and it has no moral right to exempt private property in the District either real or personal, from the operation of laws imposing taxes which are usual and necessary in other portions of the United States.

Prior to 1874 the District enjoyed a territorial form of government with a species of local autonomy. In 1874 this local government broke down. The policemen, firemen, and city employees were unpaid. The credit of the District was entirely exhausted, and at the same time the tax burden was very grievous. The physical appearance of Washington at that time must have been ludicrous, if we believe the account of Louisa M. Alcott. She described in detail the pigs she met on Pennsylvania Avenue, and their individual traits and habits. I suppose the cows still fed in Lafayette Square at that time. The debt which had been incurred for public improvements was enormous compared with the population of the city, and any tangible results were scarcely apparent. Various reasons were given for this humiliating condition. It is said that the great number of ex-slaves who poured into Washington dur-

ing and following the Civil War, demoralized the local government and introduced an element of ignorance and corruption which made home-rule impossible. This may be partially true, but the demoralizing effects of the Civil War were by no means confined to Washington. Hundreds of municipalities and scores of States were struggling with the unusual burdens and revolutionary changes of that period and they were required to meet their problems unaided by the Federal Government. The truth is that all of the large cities of the country were suffering from the era of extravagance and corruption which followed the Civil War. New York had its "Tweed ring" which saddled it with an enormous public debt. Many of the cities throughout the country were burdened with public obligations recklessly imposed upon the people without adequate return. Private property was everywhere confiscated by the tax burdens to meet these obligations. Many of the cities were utterly unable to refund their public indebtedness at any rate of interest, and public securities were considerably below par. Some American municipalities actually went out of existence as a means of avoiding the weight of obligations which were wholly political, and largely fraudulent. Washington, however, was fortunate in being the national capital. It was imperative that a city government be maintained here of the best type, and that it be done without the confiscation of private property. Law, order, and the usual functions of the local government must be carried on and paid for. Washington must not be permitted to suffer from the sins of its political rulers, or even from its own sins, although other American municipalities could hope for no special relief. In 1874 the District was put into the hands of the receivers, and its affairs were straightened out by Congress. The

Federal Government contributed by special appropriations as much as was needed to keep the District Government running, and even to provide for the interest on the public debt. The act of 1878 establishing a permanent government for the District of Columbia proved to be a wonderful blessing to the District. Its liberality to the District is doubtless due to the utter financial and political prostration in which the District was then found. It is the wildest dream of the imagination to call it a solemn contract as though it were a contract between two independent and competent parties. It imposed then, and imposes now, no obligations upon the Federal Government beyond the obligation contained in the Federal Constitution to provide a seat of government for the Federal power. The false note in all of this recent discussion has been to treat the interest of the property owners of the District as something entirely apart from the rights of other American citizens. The District was not created and is not governed in the interest of those who choose to buy real estate here.

The act of 1878 relieved the District from its embarrassments and removed a great load from private property. It prevented the confiscation of property by excessive taxation. It relieved the people of the District from the results of mismanagement. It refunded the public debt at the rate of 3.65 per cent interest. At that time no state or municipality in the Union could refund its public debt for less than six per cent, and in most cases on account of the sale of the bonds below par they were paying from eight per cent to ten per cent. For more than thirty years the District has enjoyed this low rate of interest. This would be a remarkable benefit even if the District had to pay all of the principal and interest, which is no more than

all other American municipalities were compelled to do with indebtedness of this character. This result was achieved by placing the credit of the United States behind the bonds. It is now claimed that the United States not only guaranteed the bonds but jointly agreed to pay them. If the technicalities are with the District in this matter, the people of the United States must submit, whatever may be the moral aspect of the question. The act of 1878 not only saved the District at the time, but has made possible its continuous growth and improvement. It has made it truly a national capital. Congress has paid fifty per cent of the running expenses of the District, and in addition thereto it has spent a large amount of money in improving the District in various ways, which is not charged against the District. These improvements are of a class that other cities would have to pay for themselves, or look to the generosity of some patriotic citizen. The most striking of these is the park system. Congress has done so much for the District in addition to its contribution of one-half of the running expenses, that it may be truly said that we found Washington of mud, and left it of marble.

The act of 1878 provides that taxation in the District should be limited to fifteen mills on all of the real property and upon all personal property not taxable elsewhere. This is a very moderate rate of taxation. It must be remembered that this rate covers all of the taxation paid by a property owner in the District. It includes what in other States throughout the Union would be divided into several additional assessments. It includes not only the general expenses of the District government, but the school taxes, street improvements, special assessments, road taxes, etc. While in the other municipalities an additional tax for the support of the county and State is assessed.

The rate of assessment in the District of Columbia is 66 2-3 per cent of the cash value. In other cities the rate of assessment runs from 33 1-3 to 100 per cent so that it requires some care to compare the tax rate in the District with the tax rate elsewhere, and it is very easy to make misleading figures. The statistics are available in a speech of Judge Prouty of Iowa in Congress, and therefore I will not repeat them. It is sufficient to say that the cost of government per capita is higher than in any other city except New York and Boston, while the rate of taxation per dollar on property in the District is the lowest of any municipality of 100,000 people or over, and the per capita wealth in Washington is the greatest of any city on the globe. Fifteen mills is the average taxation in American cities for city purposes alone, but this does not include such taxes as the school tax, and special improvements such as street paving, and frequently does not include park taxes. In addition to this the property owner in the average American city must pay county taxes and State taxes. The aggregate which he pays runs from thirty to fifty mills on the dollar. If the assessment of property were only half the assessment of property in the District of Columbia he would in that case pay more taxes, but the assessment probably averages very close to the assessment of the District of Columbia.

Property in the District of Columbia is not over-taxed. I may illustrate by a comparison with my own city of Kansas City, Missouri. That city raises approximately \$6,000,000 for city purposes including the general fund, schools, and public improvements, and it raises about \$3,000,000 more for county and State purposes. Thus the city, which is fairly moderate in its tax rate, has constructed one of the most beautiful park systems in the world, raises \$9,000,000 from 250,-



000 people, while the city of Washington raises about \$7,000,000 from 350,000 people. In that city the special improvements such as street paving are paid for by the abutting property owners, and this is an almost universal rule in American cities. The Supreme Court of the United States has declared that these improvements are special benefits which are not properly included in the general term "taxes."

The Act of 1878 provided that there should be levied in the District of Columbia a tax of fifteen mills on all real estate and all personal property not taxed elsewhere. It does not seem to be generally understood by the people of Washington that this act has been violated for thirty years in the interest of a privileged class. In the act of Congress providing the machinery for the assessment of personal property in the District the words in the act of 1878 were changed by the addition of the word "tangible" before the words "personal property." I would not undertake to say how this word "tangible" crept into the law. The result is that there is no legal machinery in the District for the taxation of intangible personal property, such as stocks, bonds and investment securities generally. A merchant pays on his stock of goods because that is tangible, but the banker or the owner of invested capital pays nothing on his securities. There is no inheritance tax in the District of Columbia, although such a tax exists very generally in the American States. The low rate of fifteen mills, the exemption of intangible personal property and the absence of an inheritance tax have resulted in bringing to the District of Columbia a large number of invested fortunes representing wealth which was not created in the District but which was created in some one of the several States. The owner of one of these invested fortunes who thus with-

draws his wealth from the State which produced it, and where it can be subject to taxation, practically escapes taxation on it by becoming nominally a legal resident of the District of Columbia. The State from which he withdrew the fortune is doubly wronged, for it not only loses that taxable wealth but it continues to pay full quota of the expense of the District of Columbia for the protection and enjoyment of the owner of the fortune. In my judgment this condition of affairs is morally and economically wrong. The fact that Washington is the National Capital is no reason for providing tax exemptions in favor of those citizens who can remove their wealth here. Property in the District of Columbia should be assessed and taxed upon an equal and just basis in comparison with property in other American cities. Of all localities in the country the National Capital should be the last place where invested wealth can escape its just charge of public burdens. An experience on the District of Columbia Committee, and a subsequent service on the Appropriations Committee of the House, has led me to believe that to bring the taxes within the District to a just level with taxes outside of the District, it is necessary, first, to segregate public improvements from the general fund, and tax them upon the abutting property owner. Second, to provide for the taxation of intangible wealth on the same basis as tangible property. Third, to provide for an inheritance tax. All of these reforms will meet with bitter opposition from certain elements in the District, but no reform is ever popular, and no tax was ever received with enthusiasm. If these reforms are accomplished, the District instead of raising \$7,000,000 annually will raise \$11,000,000.

The plan of paying one-half of the District expenses out of the Federal Treasury and one-half out of the

District revenues is responsible for keeping static these abuses of the taxing system. In practice the plan is that every dollar raised in the District shall be matched with a dollar out of the Federal treasury. If the untaxed wealth in the District were subject to taxation and the revenues of the District correspondingly increased, the charge upon the Federal treasury would also be increased. As long as the \$7,000,000 raised from small house owners and business men, supplemented by an equal amount from the Federal treasury, is ample for the District expenses, no serious attempt is made to tax the exempt classes. As soon as a serious attempt is made, it will reveal that the half-and-half plan has long since performed its function, and is becoming an increasing burden to the Federal Government, and a temptation to extravagance. Hence the sacredness of the half-and-half plan is the citadel of privileged wealth. It is sometimes urged in justification of the half-and-half principle, that the Federal Government owns half of the real estate in the District. So far as I can find this was never true. When the boundaries of Washington extended only to Florida Avenue it may have been possible to make such a showing by charging to the Federal Government all of the area of streets, squares, parks and other land used for city purposes, as well as that used for Federal purposes. My best information is that the Federal Government actually occupies for Federal purposes less than one hundred acres in the District of Columbia. It has the title to a great deal of land like the big parks and the tiny parks at the intersection of avenues, which it has acquired for the beautification of the city, and which it holds, not as a private land owner, but as trustee for the public. Most of the avenues shown on the map as of exceptional width are not so in fact, the

surplus width being actually fenced into the front yards of the adjoining proprietors. I believe that all of the public land in the District will total less than twenty per cent of the area of the District.

The half-and-half plan should be modified by providing that a fair tax be levied upon all private property in the District at approximately the same rate that such property would bear in other American cities; and that the Federal Government should contribute, either on the basis of its holdings as a private land owner, or on the basis of the increased burdens, if any, which it places on the District to maintain a higher standard of government than would be necessary in other cities.

Much has been said about making Washington a beautiful city, and the appeal to the Nation at large is always on this basis, but it is utterly impossible to show any connection between these tax exemptions and the beautification of Washington. Washington has been beautified by Congress, and will continue to be so beautified without expense to the property owners, and thus Washington enjoys an advantage which no other city can possibly enjoy. It is more than probable that the liberality of Congress has discouraged rather than encouraged the growth of the spirit of public enterprise in the District.

The present plan of the City of Washington follows, in a general way, the plans of Major L'Enfant which were made out at the instance of President Washington. As far as they have been adhered to they have resulted in a very beautiful city, although beauty was not the primary reason for such plans. The first element to be considered in a national capital is not beauty, but strength and defensibility. In this respect Washington is woefully deficient. Twice in our national history we have found that Washington was

utterly incapable of defense from a military standpoint. In 1814 the disaster really happened; in 1864 it was only threatened. However, the National Capital is here, and whether it be defensible or not, it has around about it the powerful arms of Uncle Sam, and the whole nation must stand or fall with the Capital. The Capital cannot protect the country, nor be the last citadel of its strength as is the case in most powerful nations, but the country can and will protect the Capital in any case of risk. The plans of Major L'Enfant contemplated that Washington should be laid out on a very generous scale. The usual number of streets were provided for, but of a width which was then thought unusual. In addition to the usual streets were the avenues running diagonally across the city which were all of unusual width. At the crossing of these avenues were arranged circles and squares. At a glance it would appear that this was a plan merely to beautify the city, and a design to create a large amount of public grounds and open space within the District. We know, however, that this was not the primary object. The idea was adapted from Paris, and is a very useful and effective way of guarding against a sudden rising of the populace, accompanied by rioting and mob violence, which so frequently disturbs capitals and threatens the government. Napoleon conceived the idea that if a sufficient number of circles and squares, connected by broad avenues, could be dispersed throughout the City of Paris, he could plant artillery at the circles and sweep any one of the radiating avenues clear of a mob in a very few moments. The most striking example of this idea is La Place d'Etoile in Paris, which, taking advantage of a little knoll is surrounded by radiating boulevards like the spokes of a wheel. From this commanding point of Paris, all that

side of the Seine can be held in order by a minimum number of men and guns. Fortunately we have never been called upon to put this idea to a test in Washington. The plan remains with us as one of those happy accidents which produce beauty, and which are the despair of the artist who labors so hard with line, scale and rule, to accomplish in the creation of artistic beauty that which is so frequently done without his aid or even knowledge. It took Washington three-fourths of a century to grow into L'Enfant's plan, but what is three-fourths of a century in the life of a nation? It is well for us that the plan was comprehensive enough at the beginning. About a decade ago it was assumed that an improvement could be made upon L'Enfant's plan, and a committee of artists was set to work on a plan for the beautification of Washington. This has resulted in some fragmentary good. It has resulted in the permanent reclamation of the unsightly swamp near the Potomac Drive. It may further result in the grouping of public buildings in some artistic and imposing way. As far as I can discover, however, it has utterly neglected the possibilities of beauty in other locations of the District. It did not take advantage, as it might have, of the beautiful circle of hills surrounding Washington, and the wonderful valleys behind them. It provided no circling boulevards adapted to the topography of the country, opening up the more remote sections of the District for future development. It is not for me as a mere layman and an untutored barbarian, to criticise a plan gotten up by a committee who admit themselves to be fine artists. It is my misfortune, however, to grasp only the art which links itself to nature, and smell with a rather keen nose the midnight oil which betrays the laborous efforts of the literary hack, or the artistic hack, to grasp only the

conventionalities of others. However, we should all be gratified, though we may differ as to details, that Washington is rapidly becoming the most beautiful capital in the world, and the only danger that we have of marring its beauty is in overloading it with too many statues and monuments, many of which we may eventually destroy. In the brief time of six years that I have served in Congress, eleven statues or monuments, or an average of two a year, have been constructed. This is going fast enough, it seems to me, for a capital which we hope will endure for several hundred years at least.

The obligations of the Federal Government towards the National Capital do not stop with a mere reform in its financial relations. It should be the aim of Congress, with the coöperation of the people of the District, to build here, not only the most beautiful but the most progressive city in the country. Living conditions in Washington should reflect the high type of the American ideal of city life. A city is both a home and a workshop. In most of the American cities the workshop idea predominates because their very existence as cities depends upon their industry and commercial operations. In Washington the home idea predominates. The great population of Washington is dependent upon the existence here of the seat of the government. The largest employer of labor in the District is Uncle Sam and even the commercial and financial interests here are dependent upon the business created by the sessions of Congress and the employés of the Federal Government. Washington is not a manufacturing city and never will be. It is entirely unlikely that Congress would encourage or even tolerate the creation of manufacturing districts in the District of Columbia, with the massing of industrial population, the danger of strikes,

boycotts, lockouts, the fluctuation in the labor market caused by recurring trade depressions, and all of the problems which arise in an industrial center. No one but a few real estate agents could possibly profit by the establishment of manufacturing industries in the District. In all other respects it would be a distinct and irreparable disadvantage. On the other hand, Washington will be not only the National Capital and the center of its political life, but in many respects the center of its artistic, literary, and scientific life. It will always be a great educational center, and will be the greatest convention city of the United States. We are on the eve of a new awakening of the civic consciousness all over our land. Cities which have boasted only of their material wealth, and their pagan appeals to the senses, are beginning to have a soul. This soul of the city is a realization of the demands of social justice. The humblest worker in the city is entitled to decent conditions for home and family life. He is not only entitled to them, but through the inscrutable justice of Providence we realize that he will either get them, or inflict the penalty upon the city at large. Slum politics have never plundered Washington as they have other cities, but slum conditions exist here because they are a by-product of American civilization. A city cannot be made exclusively of boulevards, parks, grand opera houses and public buildings. Washington should not only be known throughout the world as the city beautiful, but as the city with a soul. This is a type of civic effort in which the good people of Washington can command the enthusiastic support of the Nation. Many other American cities are far in advance of Washington in grasping this problem, although they have greater burdens to carry and greater problems to solve.



The time has come for constructive legislation for the City of Washington. Not constructive in the mere sense of expending Federal money wisely or unwisely in the purchase of property or the erection of public buildings, but constructive in the sense of establishing a rule of social justice which will bring the city organism to its highest development. In my view the first step in this direction is a reform in the tax laws by which special privilege should be abolished, and all tax payers made to stand on an equal footing. Second, the abolishment of the alley slums with their danger of physical and moral contamination. Third, the re-housing of the former slum dwellers in sanitary quarters. Fourth, the physical appearance of all parts of the District should be improved, including the reclamation of the Anacostia flats, the bed of Rock Creek, and other abandoned spots. Both banks of the Potomac should again be in the control of the District by a recession of the Virginia shore. Fifth, a control of the public utilities of the District. There should be universal transfers between the street car lines, and better car service. The price of gas in the District is now eighty-five cents, while in Indianapolis, Ind., it is sixty cents, and in many other American cities it ranges from seventy cents to seventy-five cents. Electric current in the District is selling at ten cents per kilowatt, and the greatest natural hydro-electric power in the world lies at the very door of the District, without being used. As fast as these public utilities come under public ownership they should be put upon a business basis so that they will pay, not only their running expenses, but the sinking fund represented by the investment. Sixth, the schools should be made social centers, especially in view of the fact that the plain citizens of Washington have no other common meeting point. All of the

schools should be modernized on the Gary plan. They should be made not only centers of instruction for the children, but for the adults as well. They should combine manual training, public baths, public playgrounds, physical and public recreation, day nursery and library features. They should be open every night either for public discussion or amusement, and available for any legitimate meeting, either political, civic or social. In offering recreation of this kind they should lead to a higher standard of citizenship by putting low class and doubtful places of amusement out of business.

Seventh, if I may borrow again an illustration from my own city of Kansas City, Washington should have a Board of Public Welfare to look after the condition of its police court, its juvenile court, public dances, cafés and other places of resort, and expending its activity in helpful ways for the young citizens, especially the inexperienced boys and girls who may drift into the dangerous environments of a big city. Kansas City, under the direction of its Welfare Board, even conducts a Free Legal Aid Bureau for poor women and laboring men who cannot afford to go to law to secure their rights. It conducts a Municipal Loan Bureau which has almost solved the loan-shark evil. These are some of the constructive measures which ought to find their highest development in the Nation's Capital so that life here would not only be more beautiful but purer and cleaner than ever before in the world's history. Before we had gotten very far on such a program as this, Washington would not only be known as the most beautiful city, but as the city with a soul.